

Public Hospital District Project Review Board

Evaluating GC/CM Construction Projects

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Public Hospital District Project Review Board

Guidance to Applicants: Board Considerations When Evaluating GC/CM Construction Projects

Project Dollar Size

- Greater than \$10 million
- Demonstration project - \$5 – 10 million
 - Only 10 projects allowed by statute.
 - The Board will give more consideration to an initial demonstration project, but will still give some consideration to subsequent demonstration projects from the same district, on a case by case basis.
- Clarity of anticipated costs
- If equipment costs exceed 20% of total project budget, the applicant must justify these equipment costs to the satisfaction of the Board.

Project Clarity

- Clarity of construction and remodeling projects
- Clarity of design and construction schedule

Project Characteristics

- Complex scheduling requirements; or,
- Involvement of the GC/CM during design stage is critical to the success of the project; or,
- Existing facility must continue to operate during construction. Applicant must adequately describe to the satisfaction of the Board the impact and/or benefit of the existing facility remaining open during construction, including operational complexities that will be encountered. For example, funds are not available for shutting down or moving surgeries outside construction area, or there are no vacant spaces in which to temporarily move certain facility functions.

GC/CM Involvement During Design

- No more than 30% of schematic design should be completed prior to hiring of GC/CM, in order to capitalize on the GC/CM knowledge and skills in the design process.
- If more than 30% of schematic design is completed, applicant must justify, to the Board's satisfaction, the additional benefits that a GC/CM will bring to the project.

Use of GC/CM is in Public Interest

- Use of GC/CM provides a substantial fiscal benefit to hospital district; or,
- Use of traditional method of awarding contracts in lump sum to low responsive bidder is not practical to meeting desired quality standards, or delivery schedules.

Public Hospital District Qualifications to Manage GC/CM Project

- Staff and consultants either:
 - (1) are experienced in successfully negotiating Maximum Allowable Construction Costs, experienced in directly managing GC/CM projects, and will be directly involved in the project; or,
 - (2) have sufficient experience in activities that are similar to those set out in (1) above.
- Applicant has specifically developed an organizational structure to ensure that the project is well managed.

- Applicant has developed a set of Terms and Conditions (T&C) for the GC/CM procedure. (Note: if the applicant is using these T&C for the first time, the applicant must show that an entity experienced with the GC/CM procedure has reviewed them).

Note: The above information is provided for guidance only. Following this guidance does not guarantee the Public Hospital District Project Review Board will approve a hospital district's application to use this GC/CM procedure.

Public Hospital District Project Review Board

Applicant Information Packet

Thank you for your interest in the Public Hospital District Project Review Board. The following information is provided below to help guide you through the GC/CM application process.

Application Form to Use GC/CM

The application form consists of two parts: the detailed form and the one/two page summary form. Both forms are attached for your convenience.

Detailed Application Form

The detailed application form consists of nine questions regarding project size, complexity, and the previous construction experience of the hospital district. Please note that your completed application is limited to 20 pages, using a font size of 10 or larger.

One/Two Page Summary

The application summary is a quick at-a-glance summary of the same questions in the detailed application. This summary is intended to be a brief snap-shot (one or two pages) of your application.

Application Submission

15 copies of your application and, summary must be submitted to the Hospital Review Board at least ten (10) working days prior to the next scheduled Board meeting. Your application, summary and copies should be submitted to:

John Van Gorkom
Executive Director
Washington Health Care Facilities Authority
410 11th Ave. SE, Suite 201
Olympia, WA 98504-0935

Upon receipt of your application, the Board will review, and discuss your application.

Board member review of application

Board members may identify questions they would like clarified in advance of the meeting. These questions will be forwarded to the Applicant prior to the meeting date so that the Applicant has the opportunity to provide additional information. The Board members may ask additional questions during your presentation as well.

Presentation to Board

The Applicant has 30 minutes to present their application and request to use GC/CM to the Board. The Board will likely ask questions during or after your presentation, so the actual time with the Board may be in excess of 30 minutes.

Board Decisions

The Board will strive to announce its decision on your application within seven calendar days of the Board meeting.

Additional Information

If you have any questions regarding the Public Hospital District Project Review Board or the GC/CM application process, please contact John Van Gorkom at the WA Health Care Facilities Authority, at 360.753.6185 or via email at johnvg@whcfa.wa.gov.

PUBLIC HOSPITAL DISTRICT PROJECT REVIEW BOARD

Application to use GC/CM Contracting Procedures

Please complete the following application to use GC/CM Contracting procedures. The Public Hospital District Review Board will consider complete applications only. Failure to file a complete application may result in delay of action on application. Please limit your application to 20 pages, (font size 11 or larger) including attachments.

1. Identification of Applicant:

(a) Legal name of applicant:

(b) Address:

(c) Contact Person Name:

Title:

(d) Phone Number:

Fax:

E-mail:

2. Brief Description of Proposed GC/CM Project:

Please provide a detailed statement describing the proposed project.

3. Projected Total Cost for the Project (Including Sales Tax):

Estimated projected total budget for project	\$
Estimated project construction costs:	\$
Equipment and furnishing costs— less than 20% of project	\$
Major equipment	\$
Furniture, fixture and equipment	\$
Costs for professional services	\$
Off-site costs	\$
Contract administration costs	\$
Other related project costs (briefly describe)	\$
Contingency costs	\$
Sales tax	

Total

\$ _____

4. Anticipated Project Design and Construction Schedule:

- Please provide the anticipated project design and construction schedule, including procurement
- activity for GC/CM.
- If beyond completion of schematic design, provide compelling reasons to use GC/CM.
- Where is the applicant in project scheduling with regard to engaging of consultants?

5. Characteristics of Proposed Project - Why GC/CM Appropriate for This Project

Please provide detailed explanation of why the use of GC/CM contracting procedure is appropriate for the proposed project. In your statement, please address the following items, as appropriate:

- complexity of scheduling requirements of the project,
- whether or not existing facility must continue to operate during construction,
- how critical is GC/CM involvement during the design phase, and
- the fiscal benefit to hospital district and community of using GC/CM.

6. Public Benefit:

In addition to the above information, please provide information on how the use of GC/CM will serve the public interest. For example, your description can include, but is not limited to:

- how GC/CM contracting method will provide a substantial fiscal benefit,
- how the use of the traditional method of awarding contracts in lump sum to the low responsive bidder is not practical for meeting desired quality standards or delivery schedules,
- how complex scheduling requirements cannot be met using standard bidding process.

7. Hospital District Qualifications:

Please describe the qualifications of the district to use GC/CM procedure;

- include a summary of the relevant experience of the hospital district's management team,
- include a description of staff or consultants who are qualified to manage the GC/CM process,
- include a description of how the hospital district will ensure that the project is well managed,

[Note: Applicants should include a project organizational chart showing all planned and actual PHD staff roles, and consultant roles. This organizational chart should also indicate the level of involvement and main responsibilities for each of the positions on the organizational chart (e.g. full time - project manager, half time - inspector, quarter time - oversight, advisory - bi monthly etc.) If acronyms are used on the organizational chart, please provide a key with the definitions. Documentation should also include staff bios and expected qualifications for consultant and contractor roles. Please provide a description of controls the PHD will use to ensure adequate project management.]

- include a description of the specialized procurement process for GC/CM and the associated RFP process,
- provide verification that the PHD has developed specific GC/CM contract terms, or plans to develop them,

8. Hospital District Construction History:

Attach a summary of the hospital district's construction activity for the past six years. For each project, please include information regarding:

- description of project
- final bid estimate and final construction costs,
- the projected design and construction schedule,
- the actual schedule,
- names of the project supervising staff assigned to the project,
- and any major difficulties, if any, encountered in each project.

9. Signature of Authorized Representative:

In submitting this application, the applicant understands that the Hospital District Project Review Board may request additional information regarding the hospital district, its construction history, and/or the proposed project. The applicant agrees to submit such requested information in a timely manner and understands that failure to do so shall render its application incomplete.

Name: _____

Title: Administrator/CEO or Board Chair

10. Please send 15 total applications (including the original application) to:

Mr. John Van Gorkom
Executive Director
Washington Health Care Facilities Authority
410 11th Ave. SE, Suite 201
P.O. Box 40935
Olympia, WA 98504-0935

(Questions call: 360.753.6185
or e-mail: johnvg@whcfa.wa.gov)

APPLICATION SUMMARY

Public Hospital District Project Review Board

Application To Use GC/CM Contracting Procedures

Please complete the following Application Summary. Please limit your responses to 2 or 3 lines.

DATE:

PUBLIC HOSPITAL DISTRICT:

CONTACT PERSON NAME:

TITLE:

ADDRESS:

PHONE:

FAX:

EMAIL:

BRIEF SUMMARY OF PROPOSED GC/CM PROJECT:

PROJECTED TOTAL COST FOR THE PROJECT (INCLUDING SALES TAX)

Estimated projected total budget for project	\$
Estimated project construction costs	\$
Equipment and furnishing costs - usually less than 20% of project	\$
Major equipment	
Furniture, fixture & equipment	
Costs for professional services	\$
Off-site costs	\$
Contract administration costs	\$
Other related project costs	\$
Contingency costs	\$
Sales Tax	\$
TOTAL	\$

ANTICIPATED PROJECT DESIGN AND CONSTRUCTION SCHEDULE:

CHARACTERISTICS OF PROPOSED PROJECT - Why GC/CM Appropriate for this project?

PUBLIC BENEFIT:

HOSPITAL DISTRICT QUALIFICATIONS:

HOSPITAL DISTRICT CONSTRUCTION HISTORY:

PUBLIC HOSPITAL DISTRICT PROJECT REVIEW BOARD

Operating Procedures

REVIEWING AND APPROVING AN APPLICATION

OBTAINING AND SUBMITTING APPLICATION:

1. A PHD seeking Board approval to use the gc/cm procedure for a public works project will use an application form provided by the Board.
2. The Board will review and evaluate a proposed project only after it receives the following materials: (a) a completed application and supporting documents; and (b) 15 copies of the application and supporting documents. For each of the supporting documents provided to the Board, the applicant is to provide a cover sheet identifying the document beneath. (For example, *Anticipated Project Design and Construction Schedule for Montgomery PHD No. 7.*)
3. The Board is to receive the completed application and supporting documents at least 7 business days in advance of the meeting at which the applicant desires action. However, the Chairman, in her or his sole discretion, may waive this time period.

REVIEWING SUBMITTED APPLICATION:

1. Upon receipt of the applicant's materials, the Board's administrative staff will log in receipt of the materials and determine whether: (a) the application appears on its face to be complete; (b) the requested supporting documents seem to have been provided; and (c) 15 copies (including the original) of these materials have been submitted. However, the staff is not responsible for determining whether the information or documentation provided is sufficient for the Board to act on the application.
2. If the administrative staff determines that the submitted materials do not meet the standards set out in (1), the staff is to expeditiously notify the applicant of these deficiencies so that they may be corrected. If the notification is written, a copy is to be placed in the Board's files; otherwise, a written record of the oral notice is to be made and placed therein.
3. If warranted, the board may request additional information regarding the applicant and its proposed project, in addition to that presented in the application.

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4. If the administrative staff determines that the submitted materials meet the standards set out in (1), the original materials will be retained and copies will be distributed to members for individual evaluation.

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5. When there is sufficient time for the staff to distribute the materials for individual evaluation before the Board's next meeting, the Board will try to consider the application at that meeting. The staff also is to notify the applicant of the time and place of the meeting at which the Board proposes to take action on the application. If the notification is written, the staff is to place a copy in the Board's files; otherwise, a written record of the oral notice is to be made and placed therein.

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TAKING ACTION ON THE APPLICATION:

1. In determining whether to approve the use of the gc/cm procedure for the proposed project, the Board will consider only information presented in the application (including its supporting documents) and only at the meeting or meetings in which the application is addressed.
2. To approve the use of the gc/cm procedure for the proposed project, the Board must determine by a majority vote of its members that the project meets the standards set out in (A) or (B) below:
 - A. The project has a value of more than \$10 million; and
 - Its implementation involves complex scheduling requirements, or
 - It involves construction at an existing facility that must continue to operate during construction, or
 - The involvement of the gc/cm during the design state is critical to the success of the project; and
 - The use of the gc/cm procedure is in the public interest; and
 - The PHD is qualified to use the gc/cm procedure for this project.
 - B. The project is a capital demonstration project that is valued between \$5 million and \$10 million; and
 - The Board has authorized less than 10 PHD capital demonstration projects; and
 - The use of the gc/cm procedure for this project is in the public interest; and
 - The PHD is qualified to use the gc/cm procedure for this project.
3. The Board will provide written notification to the applicant within 7 days of its final decision on the proposed project. This notification will include the reasons for its decision. A copy of this notification is to be kept in the Board's files.
4. When the Board does not approve a proposed project, the applicant may resubmit its application. As part of its resubmission, the applicant must identify any additional

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information or materials that might lead the Board to change its earlier decision. The right to resubmit an application, however, does not apply when the Board has already approved 10 capital demonstration projects that have a value of between \$5 million and \$10 million.

GUIDELINES FOR APPLICATION REVIEWS

10/6/2005

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Element	Statutory Requirement	Review Considerations	Yes	No
Value (Applies to all projects)	Proposed project must be <ul style="list-style-type: none"> • Over \$10 million or • Between \$5 million and \$10 million (to qualify as Demonstration Project). 	<ul style="list-style-type: none"> • In determining value, Board is to evaluate description of proposed project and budget sheet. • Value is total project costs including but not limited to: <ul style="list-style-type: none"> • Planning costs • Design costs • Reasonable contingency • Equipment costs <p><i>Note: If equipment costs exceed 20% of capital budget, applicant must justify greater allocation to Board's satisfaction.</i></p>		
Number of Demonstration Projects (Applies only to projects with a value between \$5 million and \$10 million)	Only 10 demonstration projects can be approved.	Whether the Board has already approved less than 10 demonstration projects.		

GUIDE VES FOR APPLICATION REVIEWS

10/6/2005

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Element	Statutory Requirement	Review Considerations	Yes	No
Project Characteristics (Applies to all projects)	<ul style="list-style-type: none"> Implementation involves complex scheduling requirements <u>or</u> Existing facility must continue to operate during construction <u>or</u> GC/CM involvement during design is critical to success of project 	<ul style="list-style-type: none"> Complex Scheduling <ul style="list-style-type: none"> Specific complex scheduling and safety requirements (for example, patient safety concerns) must be outlined Analysis must be provided of how GC/CM procedure will enable applicant to best meet schedule Continuing Facility Operations <ul style="list-style-type: none"> Operational complexities that will be encountered are outlined. (For example, no funds are available for shutting down or moving surgeries outside of construction area; no vacancies could be achieved to free up space for temporary shuffling of certain functions.) GC/CM Involvement During Design <ul style="list-style-type: none"> If more than 30% of schematic design is already completed, applicant must justify why GC/CM involvement is still critical to success of project. 		